

# Rocky Reach Meeting Minutes

**To:** Distribution List  
**From:** Michelle Smith  
**Date:** November 8, 2000  
**Subject:** Rocky Reach Social Sciences Issues  
**Attendees:** Refer to Sign-Up Sheet  
**Location:** Chelan PUD Second Floor Conference Room, Wenatchee

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## **Meeting Purpose**

- 1) Discuss comments received on the draft Socioeconomic Study Report
- 2) Present and discuss the draft Land Management Report and Comprehensive Plan Matrix
- 3) Present and discuss the draft Recreation Use Assessment Report

At the last meeting, Karen Whitehall, U.S. Forest Service (USFS), requested that a copy of *The Mid-Columbia Remembered* be circulated. Michelle Smith, Chelan PUD (PUD), stated she would make and distribute a copy.

## **Review of Study Reports**

### **Land Management Report and Comprehensive Plan Matrix**

The working group briefly discussed the study report and matrix. Michelle (PUD) pointed out that the summary would be completed and included in the report once the working group members review the matrix of land and shoreline management comprehensive plans and provide final comments.

### **Socioeconomic Report**

Michelle (PUD) stated written comments were received from the USFS and Entiat Focus Group. Reed Hansen (McHugh and Associates) was present to review comments received and to answer additional questions regarding the report.

### **Responses to USFS letter dated Oct. 30, 2000 regarding the draft Socioeconomic Study Report**

- Question 1. Regarding issue of zeroing in on Rocky Reach (RR) Hydro Project impacts: Section 3.3 provides a detailed assessment of socioeconomic effects on electricity- and water-dependent industries in the two-county area. Section 3.4 addresses communities impacted by the RR Hydro Project. It is our opinion that the document provides a great deal of specificity with respect to the impacts the RR Hydro Project has on the economic and society of the two-county region.
- Question 2. Regarding issue of utilizing one measure for expressing dollar values: It is our opinion that the analytical methods utilized in the document, including the methods used to express dollar values, are appropriate.

- Question 3. Regarding issue of whether environmental justice is to be addressed in the study: Assessing environmental justice is outside the scope of the socioeconomic study.

### Specific Comments

- Question 4. Page 1-1: average earnings are for year 1999.
- Question 5. Page 2-3: only incorporated communities are referenced. The purpose of the discussion, which summarizes information in Table 2-1, is to indicate relative population changes at ten-year intervals over the period 1950 through 1999 for the various communities located along the Columbia River.
- Question 6. Typo on Pateros Corrected
- Question 7. Page 2-6 Typo on Bridgeport Corrected
- Question 8. Page 3-6/7: Racial distribution is a common terminology.
- Question 9. Page 3-15 3.2.6: Finance, insurance, and real estate industries are typically classified as a group using the acronym FIRE.
- Question 10. Page 3-32: The reference “A decrease in total acreage devoted to apple growing” refers to information contained in the document *Lake Chelan Hydroelectric Project Socio-Economic Element*” not information contained in Table 3-14.
- Question 11. Page 3-48/49 3.3.4.2.1: As noted in footnote 23, descriptions of recreation facilities contained in this section are largely based on the 1974 Exhibit R Recreation Plan as updated in 1991. Most of the facilities are at or near the boundary of the RR reservoir. The list is not intended to exhaust all possible recreation opportunities in proximity of the reservoir. It is not a recreation study of the region, but rather a study of the economic impacts of recreation facilities created primarily as a consequence of the Rocky Reach reservoir. References to game range and wildlife areas are made because many were established at the time of RR development as partial mitigation of the loss of riparian uplands habitat due to inundation of major areas. USFS and/or BLM lands used for recreation in the immediate vicinity of the reservoir are identified in the document titled *Existing Information Analysis for Rocky Reach Hydroelectric Project No. 2145*, Wenatchee National Forest, August 1999. This document provides information on USFS locations and policy related to the RR Hydro Project.
- Question 12. Page 3-48/49 3.3.4.2.1: The WSDOT viewpoints were included because they were referenced in the Exhibit R documentation.
- Question 13. Page 3-48/49 3.3.4.2.1: Information on Sun Cove is available from the 1995 Douglas County Comprehensive Plan; however, Sun Cove is a major subdivision located within the Bray’s Landing Area, which had a 760 population in 1990 and is projected to grow to 1,843 people by 2015 (according to the Plan). The study communities, of which Orondo is included, were selected (in part) based on the existence of a defined population center (either urban or rural), usually served by a post office and other public and private facilities. Subdivisions *per se* were not included.
- Question 14. Page 3-48/49 3.3.4.2.1: Public awareness of shooting opportunities within game ranges and wildlife recreation areas is unknown. Presumably, hunters are aware of such opportunities.
- Question 15. Page 3-51 3.3.4.2.1.5: Correction to text. 28 tent/RV sites.

- Question 16. Page 3.53 3.3.4.2.1.6: Correction to text by deleting the reference to outstanding water quality.
- Question 17. Page 3.53 3.3.4.2.2: Disagree. Changes to capacity have been discontinuous and quite small given the demand changes over time. In any event, the suggestion is outside the scope of analysis.
- Question 18. Page 3.54 3.3.4.2.3.1: The material for this section was obtained from a recreation use assessment survey conducted in 1999 for the RR Recreation Study (in development). For more detail, please refer to the RR Recreation Study. Issues regarding the verification of numbers in the RR Recreational Study and distribution of visitors by season, weekday and weekend are outside the scope of this study.
- Question 19. Page 3-55 3.3.4.2.4: This is a region-wide (both Chelan and Douglas counties) analysis and includes expenditures on campground fees, lodging costs, food and drink, entertainment, merchandise, as well as watercraft and automobile gasoline outlays and, moreover, refers to expenditures made by nonresident visitors.
- Question 20. Direct employment associated with RR-related visitation refers to workers by place of work within the 2-county area. It is likely that most work occurs at locations near the RR reservoir or on transportation routes within the 2-county area.
- Question 21. Recreation visitors, who overnight in the two-county area, would likely seek lodging in the vicinity of the RR reservoir; of course, some would stay at campgrounds, others would seek lodging at motels, bed and breakfast operations, RV parks, etc.
- Question 22. Page 3-57, Table 3-20: Variation in visitor use over time is quite likely. Opening of new facilities and high levels of interest that attend such openings, special events, changes in economic conditions, overnight stays by firefighters, as well as errors in visitor counts, are all possible reasons for variability in the data on visitation. The figures in Table 3-20 reflect total visitor use (day and overnight visitors). We believe that the figures indicated, which are the most desegregated available; provide a reasonable indication of visitor use at RR Hydro Project-related recreation facilities.
- Question 23. Page 3-61 Table 3-23: Services are provided throughout the two-county area; however, most are provided at or in the vicinity of the RR reservoir or along transportation corridors used by nonresident visitors.
- Question 24. Page 3-66, 3-71 3.4: We don't disagree with the statements made in the paragraph. The recent growth of housing tract developments, including along the RR reservoir, is discussed in the appendix on Entiat impacts. Additional text is incorporated in the discussion in section 3.4 of the text in the main report.
- Question 25. Page 3-67 3.4.1.1 and other places: The designations "complete plumbing and complete kitchen facilities" are used by the Census to indicate quality of housing condition. For example, in regard to plumbing, the census questions is: Do you have complete plumbing facilities in your living quarters, that is, hot and cold piped water, a flush toilet, and a bathtub or shower?
- Question 26. Page 3-70 3.4.1.5: Published data on number of acres served for given irrigation districts are unavailable. As shown in Table 3-15 there is about 900 acres in irrigated orchard production along the RR reservoir in Chelan County and about 8,000 acres in Douglas County.

- Question 27. Page 4-5 Table 4-2: Availability Factor refers to RR Hydro Project system's readiness to generate electricity. For example, Rocky Reach's nameplate capacity is 1279 MW's, if on average 1000 MW is ready to generate electricity in a given year; the availability factor would be 78%. Capacity Factor refers to the systems actual generation given system nameplate capacity, stream flow, river regulation policies, etc. As noted by the high Availability Factor percentages, RR generation potential has been quite high, ranging from about 83% to 92% over the period 1978 – 1999. The capacity factor has been much lower due to limitations on stream flow or river regulation requirements, ranging from about 44% to 66 % during the period 1978 – 1999.
- Question 28. Page 5-4-10: It was a conclusion of the study that the increases in costs, under the forecasted operation for Rocky Reach over the life of the new license, would not constitute a significant socio-economic impact on the Chelan and Douglas county area. {The operating costs for Rocky Reach are forecasted to grow annually at 0.8% (real \$) from 2000 through the end of the license. The nominal annual growth rate is forecasted to be 3.3%.} An assessment of the PUD's ability to pass on costs greater than those estimated by the study are clearly outside the scope of the study.
- Question 29. Page A-2: Entiat growth includes shoreline housing developments; this is treated in the analysis. Additional discussion is added to the text in section 3.4 of the main report, as discussed in the response to Question 21.
- Question 30. Page A-3: Only incorporated communities are included in the table and related analysis. [Possibly remove section 1.3 Overview of Mid-Columbia River Dams, as it duplicates section 2.3 of the main report.]
- Question 31. Page A-3 and the discussion of population shifts: The table and related discussion is intended to provide an overview of the area along the mid-Columbia River corridor. The questions included under this comment are interesting, but outside the scope of the study.
- Question 32. Page A-4: This section is intended to provide an overview only.
- Question 33. Page A-7: Land area in Entiat was 0.730 square miles in 1990, increasing to 1.337 square miles in 1999. Text has been edited to reflect this. The question of costs/benefits of annexations is outside the scope of the study. Infrastructure in Entiat is discussed in the text.
- Question 34. Page A-9: Most likely the difference in growth rates is explained by immigrating families that tend to be younger, with school-aged children. Home schooling is not a focus of the study.
- Question 35. Page A-10: Text was edited to create a separate paragraph for the discussion on the population of the city.
- Question 36. Page A-16: The documented income and housing figures are from the Census. They are relevant if one is interested in understanding the nature of the housing stock. Median family income is not an appropriate numerator for calculating per capita income, assuming that one has an accurate estimate of persons per household to use as a denominator. (Actually, per capita income is calculated by dividing total income in the region, e.g., county, by population.) The median reflects the point at which half of families have higher incomes and half lower. Clearly, the median family income in Chelan County is lower than average family income; thus, per capita income might appear to be relatively high. Incomes in Chelan County in 1990 tended to be skewed towards the upper end of the income distribution.

- Question 37. Page A-23: Retail sales subject to retail sales and use taxation are determined by State legislation; providing a list is not necessary in our opinion.
- Question 38. Re-labeling the table is not deemed necessary in our opinion. Variations in tax collections are likely the result of changes in construction activity from year to year. Analysis of the composition of tax receipts attributable to sales in Entiat is outside the scope of the study. Though beyond the scope of this study, if one wanted to evaluate the composition and source of tax receipts, it would be necessary to conduct a detailed consumer survey.
- Question 39. Page A-24: We believe it is all O&M expenditures.
- Question 40. Page A-25 3.2: The growth rate of tourism visits is comparable to the state average during recent years. We agree that it is an important market, which is on the North Cascade Loop.
- Question 41. Page A-25 3.3: This is meant to be a descriptive section and, in addition, to indicate the potential for expanding markets.
- Question 42. Page A-26 3.5.3: Opinion. No response to comment.
- Question 43. Page A-27: The discussion is quite specific in our opinion; it reflects a potential opportunity for the City of Entiat to obtain a core community area.
- Question 44. Signage definitely is important. Text has been edited to reflect the need.
- Question 45. The issue of loss of a downtown core is a defining issue for the residents of Entiat; comparative analysis of other eastern Washington towns would seem to be irrelevant.
- Question 46. Page A-38 4.1.3: We disagree. We believe that the discussion is reasonably succinct. The comments seem to reflect a need by the USFS to determine for itself whether it has had or is likely to have a significant impact on Entiat. The questions by and large are either directed at issues outside the scope of the study or not germane to the analysis contained within the study of impacts on Entiat associated with the RR Hydro Project.
- Question 47. Page A-39: The City of Entiat population and Entiat School District enrollment counts are shown in Tables 4-1 and 4-2. We do not believe a chart would illuminate the analysis further.
- Question 48. Page A-40 4.3.2.1.1: They reflect actual valuation assessment changes, not jurisdictional boundary changes. Tables 4-1 and 4-2 indicate the numerical values. We do not believe a chart would illuminate the analysis further.
- Question 49. Page A-40 4.3.2.2.3: It is fiscal analysis, which focuses on the public sector jurisdictions. This includes the city of Entiat and the Entiat School District. To the extent that services provided by these entities were reduced, this would have adversely impacted individuals and businesses.
- Question 50. Page A-43, 44 4.3.2.2.4: The analysis focuses on relative population and relative assessed valuation differences only. Cashmere was in existence as an incorporated municipality at the time of the development of RR dam. Mattawa would not be a better basis for comparison.
- Question 51. Page A-45: Providing comparable pupil per teacher data is not necessary for the analysis, in our opinion. These are interesting suggestions, but outside the scope of the study.

**Responses to Entiat School District letter dated Oct. 17, 2000, regarding the draft Socioeconomic Study Report**

- Comment 1. The purpose of the economic assessment and forecasts of “*operating cost*” for the socio-economic impact study for the Rocky Reach Relicensing process was to provide the basis for the socio-economic analysis. An assessment of the market value of Rocky Reach is outside the scope of the study.
- Comment 2. There was no intent to compare Entiat with the Malaga community. Malaga is simply a site area of interest because of the existence of the Alcoa Wenatchee Works, an industry directly linked to the RR Hydro Project. Pateros was discussed in terms of population change, as a comparison to the Entiat experience. It is our understanding that Cosmos, unfortunately, was completely inundated. Therefore, Cosmos would be an inappropriate choice to compare growth rates after the inundation.
- Comment 3. The economic assessment and forecasts of cost for the socio-economic impact study for the Rocky Reach Relicensing process is cost-based, not a revenue-based analysis. For the purpose of the study, we assumed that the PUD would continue to sell its non-firm energy into the market place, provide a revenue credit to the district’s cost of power, and continue to pass these credits on to its customers. Additionally, levels of these non-firm revenue credits are a market phenomena, not a result of the operation of the dam.
- Comment 4. No inference is made that Entiat has benefited directly from the presence of Alcoa; however, several firms in the region, are users of aluminum products from Alcoa.
- Comment 5. The socio-economic study considered not only the river operation, but also expenditures by the PUD on Rocky Reach’s operation and PUD employment, as well as the effects of these expenditures and employment on the regional economy.
- Comment 6. The report speaks to the many issues faced by the city. The report does make a comparison to cities located along the mid-Columbia River that were not inundated, as well as Pateros, which was partially inundated as a result of developing the Wells Dam, and, therefore, does address the issue of the impact of locating Rocky Reach in a location that would inundate portions of Entiat. On the other hand, the report does indicate that Entiat may be a net beneficiary of the Rocky reach Dam (reservoir) in the future.
- Comment 7. The most current available data has been used in the study. The specific analysis of orchard production near the RR Hydro project was developed through discussions with a Wenatchee-based representative of the WSU agricultural extension program in May 2000.
- Comment 8. The question involves issues that are outside the scope of the study.

**Specific Questions**

- Question 1. 3-43: The question involves issues that are outside the scope of the study. The PUD does not break out information on the RR Hydro Project directly at the level of aggregations suggested by the question.
- Question 2. 3-46: The large number of out-of-area users at RR reservoir suggests a high tourism expenditure figure.

- Question 3. 3-59: Refer to Table 3-22 including table notes. Sewerage impacts from overnight visitors at Entiat Park are possible.
- Question 4. 7-4: We assume this refers to Table 4.2. Yes
- Question 5. A-4: Text has been edited to correct typo.
- Question 6. A-25: Text has been edited to correct typo.
- Question 7. A-26: Information obtained from the City of Entiat did not indicate the existence of a water quality problem.
- Question 8. A-33: We did not feel the acreage inundation was critical to the analysis of the economic impact. We did analyze the property value loss as a result of the inundation, and its effect on the school district tax base.
- Question 9. A-38: The text has been corrected. The text has been edited to reflect that the hall and church are the same building.
- Question 10. A-43: Relative decline in population is correct.
- Question 11. A-45: At the school district level this is true; levies were raised in the 1960 time frame to offset the loss of property valuation; this would have resulted in a shift of property tax burdens to residents who remained in the area. Text has been edited to reflect the shift in property tax burdens.
- Question 12. A-46: In our opinion the discussion is adequate.
- Question 13. A-47: The issue is basically non-quantifiable. We are unaware of any definitive studies that correlate student performance with the location of teacher residence.
- Question 14. A-49: The tabled entries reflect M&O levies only.

The working group discussed and agreed that based on comments and modifications made to the report from today's meeting, a final report could be issued.

### **Recreation Use Assessment Report (see PowerPoint presentation)**

Debby Howe (Howe Consulting) via teleconference presented the results of the 1999/2000 Recreation Use Assessment. She noted that displaced use results from the USFS and Entiat survey are not yet in the report, but will be included in the next draft.

In regard to site utilization, Bob Whitehall (city of Entiat) asked if Entiat eliminated the use of tent camping in the day use area, what would happen to the camping if they only relied on the 30 RV sites. Debby stated she would pull out the data and compare both options.

The USFS requested additional time to review the report and provide comments. Michelle stated the review and comment period had expired; however, the deadline would be extended to accommodate their request.

### **Other Business**

#### **Next Meeting**

January 18, 2001

**Action Items**

Michelle will circulate of a copy of *The Mid-Columbia Remembered* based on the sign-up sheet.

Reference materials are posted on the web site, [www.chelanpud.org/relicence](http://www.chelanpud.org/relicence). Please contact Rosana Sokolowski, (888) 663-8121, Extension 6371, if hard copies are required.

Recreation Use Assessment Study Report and PowerPoint Presentation

Socioeconomic Study Report

Project Lands Management Report

USFS Comment Letter dated October 30, 2000

Entiat School District Letter dated October 17, 2000

Sign-up Sheet

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